GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:942
ANSWERED ON:24.11.2000
MONEY LAUNDERING
SAMIK LAHIRI

Will the Minister of FINANCE be pleased to state:

(a) the steps taken by the Government to check generation of black money and laundering thereof under the existing laws during the last three years;

(b) whether the Government have undertaken any systematic study during the above period to identify the major areas of generation of black money besides the commonly known areas of extortion, drug trafficking, gun running; and

(c) if so, the outcome thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (GINGEE N. RAMACHANDRAN)

(a) The Income-tax Act, 1961 contains a number of provisions aimed at unearthing the undisclosed money and thereby checking generation of black money. These provisions include compulsory maintenance and audit of accounts in cases described under sections 44AA and 44AB, restrictions on cash transactions under sections 40A(3), 269SS and 269T, pre-emptive purchase of properties under Chapter XXC, surveys and searches,penalties and prosecutions for punishing tax evaders and investigation in cases selected for scrutiny. These provisions are resorted to in appropriate cases. Besides that, allotment of Permanent Account Number under section 139A to all the assesses and compulsory quoting of such PAN in prescribed transactions has been given top priority along with computerization of work of Income-tax Department. The provisions of section 139(1) regarding compulsory filing of returns by persons who fulfill one of the six economic indicators, has been extended to 133 cities in the Country. This scheme brings on the records of Income-tax Department, persons owning immovable properties, etc., which have scope for investment of black money.

(b)&(c) No such study has been undertaken during the last three years.